

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2004-36-T - ORDER NO. 2004-408
AUGUST 31, 2004

IN RE: Application of South Carolina Tariff Bureau,) ORDER GRANTING AN
Inc., Post Office Box 25803, Columbia, SC) INCREASE IN RATES
29224 to Increase its Rates and Charges.) AND CHARGES

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the request of the South Carolina Tariff Bureau, Inc. (“SC Tariff Bureau”) for a general rate increase. By its request dated January 30, 2004, the SC Tariff Bureau requested an 8 percent general rate increase and the ability to roll the 5 percent insurance surcharge into the line haul and local rates.

By letter dated March 1, 2004, the Commission’s Executive Director instructed the SC Tariff Bureau to publish a prepared notice of filing in newspapers of general circulation in the areas of the state affected by the proposed rate increase. The purpose of the notice of filing was to advise interested persons of the requested rate increase and of the manner and time to intervene in the proceedings before the Commission. The SC Tariff Bureau filed an affidavit of publication indicating that it had duly published the notice of filing. No petitions to intervene or protests were received concerning the notice of the rate increase.

As no protests or petitions to intervene were received concerning the SC Tariff Bureau’s requested rate increase, the matter of the rate increase was brought before the

Commission at the Commission's regular meeting on August 17, 2004. Based on the evidence presented to the Commission at its meeting of August 17, 2004, the Commission makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. The SC Tariff Bureau has requested a general rate increase of 8 percent and has also requested that the insurance surcharge of 5 percent approved by Order No. 2002-419, dated June 3, 2002, be rolled into line haul and local rates¹.

2. The SC Tariff Bureau states as reasoning for the 8 percent general rate increase (1) that it has not had a rate increase in four years, (2) that the Consumer Price Index shows that the costs for labor, equipment, and supplies, which according to the SC Tariff Bureau account for more than 75 percent of their members' costs, has risen beyond the 8 percent that the SC Tariff Bureau is seeking, and (3) that skyrocketing medical and health insurance costs are making it difficult to maintain benefits to attract and retain good quality employees.

3. As reasoning for the request to roll the insurance surcharge into the line haul and local rates, the SC Tariff Bureau asserts (1) that the 5 percent insurance surcharge is creating confusion with some customers, and (2) that there is no foreseeable relief in insurance costs.

¹ By letter dated August 18, 2004, the SC Tariff Bureau clarified the rates which would be subject to the increase from the insurance surcharge. According to the SC Tariff Bureau, the insurance surcharge would be rolled into and would apply to Rule 16 (Storage-In-Transit, pick-up and delivery rates), Item 300 (hourly rates), and transportation rate schedule for all intrastate shipments. Thus, the insurance surcharge would only be rolled into and increase the charges for the above-listed sections of the SC Tariff Bureau tariff and would not increase all rates and charges by 5 percent.

4. A sampling of four members² of the SC Tariff bureau indicated operating ratios of 92.66%, 100.09%, 88.12%, and 100.31% before the proposed rate increase and operating ratios of 89.90%, 93.93%, 87.96%, and 98.80% if the proposed rates are approved. For the four representative companies, intrastate and local traffic, or South Carolina regulated traffic, accounted for only 11%, 16%, 10%, and 5% of total traffic for these companies.

CONCLUSIONS OF LAW

1. The Commission concludes that a general rate increase of 5 percent, rather than the requested 8 percent increase, should be granted to the SC Tariff Bureau. The Commission concludes that the length of time since the last rate increase and the rise in the Consumer Price for the costs for labor, equipment, and supplies since that last rate increase justify the herein approved increase.

2. Further, the Commission concludes that sufficient cause has been shown to roll the insurance surcharge into the line haul and local rates, as clarified by the August 18, 2004 letter from the SC Tariff Bureau stating that the insurance surcharge would only apply to or be rolled into the rates in Rule 16 (Storage-In-Transit, pick-up and delivery), Item 300 (hourly rates), and transportation rate schedule for all intrastate shipments. The Commission concludes that rolling this surcharge into the rates will lessen confusion on the part of the consumers. Further, the Commission is aware that insurance costs have not decreased since the jump in insurance costs following the September 11, 2001, terrorists' attacks.

² The four companies used in the sample are Advantage Relocation Systems, Inc.; Dale J. Cook Moving & Storage, Inc.; Lytle's Transfer & Storage, Inc.; and Smith Dray Line & Storage Company, Inc.

3. The Commission concludes that the herein approved rate increase of 5 percent and the rolling of the insurance surcharge into the line haul and local rates, as clarified by the August 18, 2004 letter from the SC Tariff Bureau, result in just and reasonable rates.

IT IS THEREFORE ORDERED THAT:

1. The SC Tariff Bureau is granted a general rate increase of 5 percent.
2. The SC Tariff Bureau is granted authority to roll the insurance surcharge into the line haul and local rates enumerated in the August 18, 2004 letter from the SC Tariff Bureau clarifying that the insurance surcharge would only apply to or be rolled into the rates in Rule 16 (Storage-In-Transit, pick-up and delivery), Item 300 (hourly rates), and transportation rate schedule for all intrastate shipments.
3. This Order shall be effective as of the date of this Order.
4. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

/s/
Randy Mitchell, Chairman

ATTEST:

/s/
G. O'Neal Hamilton, Vice Chairman

(SEAL)